ALABAMA CARBON, LLC

CRANE CENTRAL MINE, P-3946

ALABAMA SURFACE MINING COMMISSION
SURFACE MINING TRANSFER APPLICATION

PART I

Prepared by:

MCGEHEE ENGINEERING CORP.

P. O. Box 3431 450 19th Street West Jasper, Alabama 35502-3431 Telephone (205) 221-0686

STATE OF ALABAMA SURFACE MINING COMMISSION

(XX) Transfer Application for a Surface Coal Mine
 () Transfer Application for an Underground Coal Mine () Transfer Application for a Preparation Facility
NAME OF CURRENT PERMITTEE: GTM Energy Partners, LLC.
ADDRESS: P.O. Box 19127 Birmingham, AL 35219
PART I A. <u>IDENTIFICATION</u>
1. PERMIT APPLICANT
Name: Alabama Carbon, LLC
Street Address: 106 Lockheed Drive
City: Beaver State: WV Zip: 25813
Mailing Address:106 Lockheed Drive
City: Beaver State: WV Zip: 25813
Telephone Number: <u>256-632-2267</u>
Social Security Number(Voluntary):
Employer Identification Number: <u>45-2354416</u>
ASMC License#: <u>L-816</u>
2. ENTITY OR PERSON RESPONSIBLE FOR PAYING ABANDONED MINE LAND RECLAMATION
FEES .
Name: Alabama Carbon, LLC
Street Address: 106 Lockheed Drive
City: Beaver State: WV Zip: 25813
Mailing Address: 106 Lockheed Drive
City: Beaver State: WV Zip: 25813
Telephone Number: <u>256-632-2267</u>
Social Security Number(Voluntary):
Employer Identification Number: 45-2354416
ASMC License#: <u>L-816</u>
2. INDAMENTED WITE ARED ATAR EAR THIS MINE IE RIFERRENT ERAM TYTE DERMYTTEE
3. IDENTIFY THE OPERATOR FOR THIS MINE IF DIFFERENT FROM THE PERMITTEE Name: SAME AS PERMITTEE
Street Address:
City: State: Zip:
Mailing Address:
City: State:Zip:
Telephone Number:
Social Security Number(Voluntary):
Employer Identification Number:
ASMC License#:
A CONTACT DEDCOMEOD DEDMIT DEVIEW (COMEC AND CODDECDONDENCE
4. CONTACT PERSON FOR PERMIT REVIEW ISSUES AND CORRESPONDENCE Name:McGehee Engineering, Corp.
Mailing Address: P. O. Box 3431, 450 19th Street West
City: Jasper State: AL Zip: 35502
Telephone Number: (205) 221-0686
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PART I B. OWNERSHIP AND CONTROL

Telephone Number: 256-632-2267 Social Security Number(Voluntary):

ASMC License#: L-816

Employer Identification Number: 45-2354416

1. PERMIT APPLICANT OWNERSHIP AND CONTROL.

the inform	ne of filing of this application provide an update of all information contained in the applicant's license file or certify that mation contained in the license is accurate and complete. The updated information shall be submitted on Part I A through of the License application form. Check one of the following:
	A license update is included.
	Information contained in the license file is accurate and complete at the time of filing of this application. No update is included.
application	g notification that the permit appears eligible for issuance, the applicant must certify that all information in this on and the license file pertaining to ownership and control, surface mining history and violation history is still valid or cant must submit the appropriate update information.
2. <u>OPEI</u>	RATOR OWNERSHIP AND CONTROL.
informati accurate a	ne other than the permittee has been identified as the operator under this permit, an update of the ownership and control on contained in the operator's license file must be provided or certify that the information contained in the license file is and complete. The updated information shall be submitted on Part I A through Part I F of the License application form. e of the following:
	A license update is included.
	Information contained in the license file is accurate and complete at the time of filing of this application. No update is included.
applicatio	g notification that the permit appears eligible for issuance, the applicant must certify that all information in this on and the license file pertaining to ownership and control, surface mining history and violation history is still valid or ant must submit the appropriate update information.
3. <u>CONT</u>	ROL OF MINING OPERATION THROUGH CONTROL OF COAL TO BE MINED.
lease, sub	ne information below for any person or entity who owns or controls the coal to be mined under this permit and who, by lease, or other contract: the right to receive the coal after mining, or, the authority to determine the manner in which the operator or permittee conducts surface coal mining operations.
Street Ac Ci Mailing	(USE ADDITIONAL SHEETS IN THE FORMAT BELOW IF NECESSARY) Alabama Carbon, LLC ddress: 106 Lockheed Drive ty: Beaver State: WV Zip: 25813 Address: 106 Lockheed Drive ty: Beaver State: WV Zip: 25813

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS

1. OWNERSHIP OF PROPERTY TO BE MINED AND RIGHT OF ENTRY.

INSTRUCTIONS:

Show the property ownership boundaries of each parcel of land in the permit area on the permit map or an overlay of the same scale as the permit map. If the surface estate is severed from the mineral estate, show and describe the ownership of each estate separately. In the spaces below, identify:

- 1. Every current legal or equitable owner(s) of record (as found in a standard search of title) of the property;
- 2. The holders of record of any leasehold interest in the property; and,
- 3. Any purchaser of record under a real estate contract of the property.

Describe the basis of the applicant's legal right to enter and mine on all properties contained in the permit application. If the mineral estate has been severed from the surface estate, describe the basis of the legal right to enter and mine both the surface and mineral separately. Give the nature of such right (i.e. lease, deed, contract, etc.), where recorded, describe from whom, to whom, and the date executed, and whether that right is the subject of pending litigation.

USE ADDITIONAL SHEETS IN THE FORMAT BELOW AS NECESSARY

	Page <u>1</u>	of <u>6</u>				
Legal description of property or permit ma	p symbol;			<u>S-1 &</u>	& F-1	
	(SEE PE	RMIT M	IAP)			
Surface/Mineral/or Fee Simple (both):	SUR	FACE &	FEE			
Legal owner(s) of record: Larry Crane		·		• • • • •		
Address: P.O. Box 1389	City: Trenton	State:	GA.	Zip:	30752	
Holders of leasehold interest:						
Address:	City:			State:		Zip:
Purchasers under a real estate contract:						·
Address:	City:			State:		Zip:
Description of right to enter or mine:						

Describe Right Of Entry (if deed Indicate where Recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending? (Yes or No) If yes, explain.
LEASE	LARRY CRANE	GTM ENERGY PARTNERS, LLC.	05/01/08	NO
ASSIGNMENT	GTM Energy Partners, LLC.	Alabama Carbon, LLC.	05-20-11	NO

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS (CONTINUED)

	Page <u>2</u> of <u>6</u>		
Legal description of property or permit map	symbol:	<u>S-3</u>	
	(SEE PERMIT M	IAP)	
Surface/Mineral/or Fee Simple (both):	SURFACE		
Legal owner(s) of record: John Wolf			
Address: 1431 Trumanburg Rd	City: Ithaca	State: NY	Zip: 14850
Holders of leasehold interest:	<u> </u>		- · <u></u>
Address:	City:	State:	Zip:
Purchasers under a real estate contract:	-		^
Address:	City:	State:	Zip:
Description of right to enter or mine:			.

Describe Right of	Granted	Granted	Date	Litigation Pending?
Entry (If deed	From:	To:	Granted:	(Yes or No)
indicate where				If yes, explain
recorded):				
PENDING	JOHN WOLF	ALABAMA CARBON , LLC.	PENDING	NO

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS (CONTINUED)

	Page <u>3</u> of <u>6</u>		
Legal description of property or permit map	symbol:	<u>S-4</u>	
	(SEE PERMIT MA)	P)	
Surface/Mineral/or Fee Simple (both):	SURFACE	·	· · · ·
Legal owner(s) of record: Randy Wolf			
Address: 899 County Road 174	City: Flat Rock	State: AL	Zip: 35966
Holders of leasehold interest:	· · · · · · · · · · · · · · · · · · ·	-	_ · _ · _ · _
Address:	City:	State:	Zip:
Purchasers under a real estate contract:			
Address:	City:	State:	Zip:
Description of right to enter or mine:	 *		•

Describe Right of	Granted	Granted	Date	Litigation Pending?
Entry (If deed	From:	To:	Granted:	(Yes or No)
indicate where				If yes,explain
recorded):				
PENDING	RANDY WOLF	ALABAMA CARBON,	PENDING	NO
		LLC.		

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS (CONTINUED)

	Page <u>4</u> of <u>6</u>		
Legal description of property or permit ma	p symbol:	S-5	
	(SEE PERM	IIT MAP)	•
Surface/Mineral/or Fee Simple (both):			
Legal owner(s) of record: David F. Smi			
Address: P.O Box 827			35768
Holders of leasehold interest:		<u> </u>	
Address:	City:	State:	Zip:
Purchasers under a real estate contract:			
Address:	City:	State:	Zip:
Description of right to enter or mine:			

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending? (Yes or No) If yes,explain
LEASE	DAVID F. SMITH & ROBERT D. WORD JR.	ALABAMA CARBON , LLC.	02-27-08	NO
ASSIGNMENT	GTM Energy Partners, LLC.	Alabama Carbon, LLC.	05-20-11	NO

	Page <u>5</u> (_		
Legal description of property or permit ma	· • —		S-6	
Surface/Mineral/or Fee Simple (both):		RMIT MA	<u>.P)</u>	
Legal owner(s) of record: David Crane Address: P.O. Box 1389			GA Zip:	30752
Holders of leasehold interest: Address:	City:		State:	Zip:
Purchasers under a real estate contract:Address:				
Description of right to enter or mine:			<u> </u>	

	•	-	_	• •	U
whom the right was acquir	red and to whom th	ne right was	granted. If the	grantor of the	right is not the owner(s) of
property, identify all gran	tors and grantees o	of the right b	eginning with	the owner(s)	and ending with the permit
applicant.		_			

Describe Right of	Granted	Granted	Date	Litigation Pending?
Entry (If deed	From:	To:	Granted:	(Yes or No)
indicate where		<u>.</u>	_	If yes, explain
recorded):				_
PENDING	DAVID CRANE	ALABAMA CARBON,	PENDING	NO
		LLC.		

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS (CONTINUED)

	Page <u>6</u> of <u>6</u>		
Legal description of property or permit map	symbol:	<u>M-1</u>	
	(SEE PERMIT N	MAP)	•
Surface/Mineral/or Fee Simple (both):	MINERAL		
Legal owner(s) of record: North Alaban	na Mineral Development	Co	
Address: 401 Franklin St.	City: Huntsville	State: AL Zip:	<u>35801</u>
Holders of leasehold interest:		- · ·	
Address:	City:	State:	Zip:
Purchasers under a real estate contract:			
Address:	City:	State:	Zip:
Description of right to enter or mine:			_ +

Describe Right of	Granted	Granted	Date	Litigation Pending?
Entry (If deed	From:	To:	Granted:	(Yes or No)
indicate where			-	If yes,explain
recorded):				
PENDING	NORTH	ALABAMA CARBON,	PENDING	NO
	ALABAMA	LLC.		
	MINERAL			
	DEVELOPMENT			
	CO.			

PART I C. (CONTINUED)

2. <u>OWNERSHIP OF SURFACE AND MINERAL LANDS CONTIGUOUS TO THE AREA TO BE MINED.</u> INSTRUCTIONS:

Provide the information below for the owners of record of all surface and mineral properties contiguous to any part of the proposed permit area.

USE ADDITIONAL SHEETS IN THE FORMAT BELOW AS NECESSARY

Page 1 of 1

Name: Larry Crane
Address: P.O. BOX 1389
City: Trenton State: GA Zip: 30752

Name: John Wolf

Address: 1431 Trumanburg Road

City: Ithaca State: NY Zip: 14850

Interest owned (Surface, Coal or Fee Simple): <u>SURFACE</u>
Type of Interest (Owner, Lease, or Other): <u>OWNER</u>

Interest owned (Surface, Coal or Fee Simple): <u>SURFACE, FEE</u>
Type of Interest (Owner, Lease, or Other): OWNER

Name: Randy Wolf

Address: 899 County Road 174

City: Flat Rock State: AL Zip: 35966

Interest owned (Surface, Coal or Fee Simple): <u>SURFACE</u>
Type of Interest (Owner, Lease, or Other): <u>OWNER</u>

Name: David F. Smith & Robert D. Word Jr.

Address: P.O. Box 827

City: <u>Scottsboro</u> State: <u>AL</u> Zip: <u>35768</u>
Interest owned (Surface, Coal or Fee Simple): <u>SURFACE</u>
Type of Interest (Owner, Lease, or Other): OWNER

Name: <u>David Crane</u> Address: P.O. Box 1389

City: Trenton State: GA Zip: 30752

Interest owned (Surface, Coal or Fee Simple): SURFACE
Type of Interest (Owner, Lease, or Other): OWNER

Name: John Authur & Kay Patterson

Address: 1845 S Prairie Cr

City: <u>Hixson</u> State: <u>TN</u> Zip: <u>37343</u>

Interest owned (Surface, Coal or Fee Simple): <u>SURFACE</u>
Type of Interest (Owner, Lease, or Other): <u>OWNER</u>

Name: North Alabama Mineral Development Co.

Address: 401 Franklin St.

City: <u>Huntsville</u> State: <u>AL</u> Zip: <u>35801</u>
Interest owned (Surface, Coal or Fee Simple): <u>MINERAL</u>
Type of Interest (Owner, Lease, or Other): <u>OWNER</u>

PART I C. (CONTINUED)

3. <u>INTERESTS OR PENDING INTERESTS IN LANDS CONTIGUOUS TO THE PERMIT AREA.</u> INSTRUCTIONS:

THE APPLICANT HAS NO INTEREST IN ANY LANDS OR CONTIGUOUS LAND OTHER THAN THE PERMITTED AREA.

Give the legal description of all lands contiguous to the permit area for which the permit applicant:

- 1. Holds an interest,
- 2. Holds an option, or
- 3. Has made a bid for ownership, lease or other interest.

USE ADDITIONAL SHEETS IN THE FORMAT BELOW AS NECESSARY

Page 1 of 1
Legal description:
Describe the nature of the interest:
Legal Description:
Describe the nature of the interest:
Legal description:
Describe the nature of the interest:

PART I D. PERMIT AREA INFORMATION

	1.	Give the	requested term	n of this	permit:	5	vear
--	----	----------	----------------	-----------	---------	---	------

2. Give the legal description of the land upon which the applicant proposes to conduct surface coal mining operations. List each quarter-quarter section, section, township, range, and county.

The NE/SW, SE/SW, NW/SE, NE/SE, SW/SE, and SE/SE of Section 20; the SE/NW, SW/NE, NW/SE, SW/SE, NW/SW, NE/SW, SW/SW, and SE/SW of Section 21; the NW/NE, NW/SW, NE/SW, NW/NW, NE/NW, SW/NW, and SE/NW of Section 28; the NE/NE of Section 29, Township 2 South, Range 9 East, Jackson County, Alabama.

- 3. Give the acreage of the permit, each increment and the type of bonding.
 - a. Total permit acreage: 397.0 Acres
 - b. Give the acreage and type of bond for each mining increment:

Increment	Acres	Type Bond Proposed
1.	65.0	Bond Account
2.	111.0	Bond Account
3.	154.0	Bond Account
4.	54.0	Bond Account
6.	9.0	Bond Account
7.	4.0	Bond Account

- c. Identify the increment(s) on which mining will initially begin upon issuance of this permit: Inc. No. 6
- 4. Has any acreage in the proposed permit area been previously disturbed by mining? (XX) YES () NO

If yes, supply the following for any and all previously disturbed areas:

- a. Show the boundaries of the previously disturbed area(s) on the permit map and identify with an appropriate symbol.
- List, for each area, the permit number under which it was disturbed and the number of acres. Indicate the status of each permit as Unreleased, Grading released, or 100% released.
 (If no permit, indicate as such)

<u>Increment</u>	Acres	Permit Number	Status
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5. Is disturbance to be conducted within 300 feet, measured horizontally, from an occupied dwelling?

() YES (X) NO.

If YES, attach a signed waiver from the owner of the dwelling indicating the minimum distance disturbance will be allowed by the owner

PART I D. (CONTINUED)

6.	Is disturbance proposed within 100 feet of a public road right-of-way or will a public road be closed or relocated?
	(XX)YES()NO.
	If YES, enclose a copy of the approval granted by the government entity which has jurisdiction over the road.
	The approval must state the minimum distance disturbance will be allowed to the road or road right-of-way.
7.	
	I.D. and NPDES. Give the identification or permit number, the name and address of the issuing authority, and the status or date of approval or issuance of each:
	Permit ID or Permit Issuing Address Status or date
	Number Authority of issuance
	MSHA ID <u>01-03433</u> <u>MSHA</u> 228 West Valley Ave. <u>11/20/91</u>
	Birmingham, AL 35209 Transfer Pending
	NPDES AL0080071 ADEM 1400 Coliseum Drive 01/01/05
	Montgomery, AL 36110 Transfer Pending
8.	Is the property in the permit covered by zoning or other land use restrictions? () YES (XX) NO. If yes, indicate the jurisdictional authority and zoning or landuse restriction for the entire permit area. If more than one zoning classification exists for the permit area, identify the boundaries of each on the permit map.
	Jurisdictional Zoning Allows mining?
	Authority Classification Yes or No
	N/A
9.	Describe access to the proposed mine from a known point on the nearest public highway:
	From the intersection of Jackson Co. Road 14 and State Highway 71, travel north on Jackson Co. Rd. 14 approximately 4 miles to Jackson Co. Rd. 693. Turn right onto Jackson Co. Rd. 693 and travel approximately 0.15 miles to the mine entrance on the right. The mine entrance will be marked and signs will be posted.
10	. Did the applicant receive assistance from the Small Operator Assistance Program in preparing this application? () YES (XX) NO If YES, list SOAP I.D. Number:
11	. Submit a certificate of proof of Liability Insurance with this application.
PA	ART I E. PUBLIC NOTICE AND AVAILABILITY FOR INSPECTION
12	Give the name of the approved public office in which a copy of this application will be filed for public

- 12. Give the name of the approved public office in which a copy of this application will be filed for public inspection following notification of completeness: <u>Alabama Surface Mining Commission and Alabama Surface Mining Commission website http://surface-mining.alabama.gov</u>
- 13. Enclose a copy of the notice of filing of this application which will appear in a newspaper of general circulation in the vicinity of the mine and identify the name of the newspaper: See Attachment I-E-2

ALABAMA CARBON, LLC CRANE CENTRAL MINE, P-3946 ATTACHMENT I-E-2

PUBLIC NOTICE OF APPLICATION TO TRANSFER A SURFACE COAL MINING PERMIT

In accordance with the provision of Act No. 81-435 of the State of Alabama and the regulations promulgated under this act, Alabama Carbon, LLC, 106 Lockheed Drive, Beaver, WV 25813 hereby gives notice that it has filed application to succeed by transfer to the rights granted under Surface Coal Mining Permit P-3946-39-15-S currently held by GTM Energy Partners, LLC.. The operation is known as Crane Central Mine and is located in:

The NE/SW, SE/SW, NW/SE, NE/SE, SW/SE, and SE/SE of Section 20; the SE/NW, SW/NE, NW/SE, SW/SE, NW/SW, NE/SW, SW/SW, and SE/SW of Section 21; the NW/NE, NW/SW, NE/SW, NW/NW, NE/NW, SW/NW, and SE/NW of Section 28; the NE/NE of Section 29, Township 2 South, Range 9 East, Jackson County, Alabama.

A copy of the permit application is available for public inspection and review on the Alabama Surface Mining Commission website http://surface-mining.alabama.gov. A copy of the permit application is also available for public inspection and review at the office of the Alabama Surface Mining Commission located on the second floor of the Pinnacle Bank Building at 1811 2nd Avenue, Jasper, Alabama 35501. Written comments, objections, request for public hearing or request for informal conferences concerning this permit should be sent to the Alabama Surface Mining Commission, P.O. Box 2390, Jasper, Alabama 35502-2390, no later than 30 days from the last date of publication of this notice.

This notice to be published in the Daily Sentinel.

TO THE DAILY SENTINEL:

Please run the attached ad on Saturday, September 24th, 2011

Please send invoice to:

Alabama Carbon, LLC. 106 Lockheed Drive Beaver, WV 25813 Telephone (256) 632-2267

Please send a notarized proof of publication to:

Also, if you should have any questions or need additional information, please call:

McGehee Engineering Corp. P. O. Box 3431 Jasper, AL 35502-3431 Telephone (205) 221-0686

PART VII - FINAL VERIFICATION OF PERMIT APPLICATION <u>P-3946</u>

I, the undersigned operator and holder of an A.S.M.C. license, do hereby certify that: \boxtimes The information in the license file regarding ownership and control and violation information is accurate and complete as of this date. The information in the license file regarding ownership and control and violation information is not accurate and complete as of this date. The necessary update is attached. This application is submitted in conformance with rules and regulations of the Commission and it is agreed that any operations pursuant to the permit will be conducted in accordance with those rules and regulations. I further certify that I will keep the Commission advised of any changes of facts as may pertain to the license information or this permit application. ALABAMA CARBON, LLC License No.: L-816 Licensee: By: James C. Justice, III Its Vice President STATE OF ALABAMA))) COUNTY OF WALKER))) Before me, the undersigned authority, personally appeared James C. Justice, III who being duly sworn upon oath, deposed and said, that he has read the foregoing application, that he is the responsible official of the applicant who executed the application, that the facts and matters contained therein are true and correct to the best of his information and belief, and that he executed the same for the purposes therein expressed. Sworn to and subscribed before me, this 2417 day of My Commission Expires: {SEAL} OFFICIAL SEAL **NOTARY PUBLIC** STATE OF WEST VIRGINIA PAMELA L. RHODES 113 BOLTEN DR. BECKLEY, WV 25801 My commission expires March 19, 2017

License No.: L-816

PART VI - VERIFICATION OF PERMIT APPLICATION (771.27)

I, the undersigned operator and holder of an A.S.M.C. license do hereby submit this as my application for a permit to engage in surface coal mining operation and certify that the information in the application is true and correct to the best of my information and belief. This application is submitted in conformance with rules and regulations of the Commission and it is agreed that any operations pursuant to the permit will be conducted in accordance with those rules and regulations. I further certify that I will keep the Commission advised of any changes of facts as may pertain to the license information or this permit application.

ALABAMA CARBON, LLC

Licensee:

By: <u>James C. Justice</u>, III

Its Vice President

STATE OF ALABAMA)))

Rale (alabama)

COUNTY OF WALKERA)

Before me, the undersigned authority, personally appeared <u>James C. Justice, III</u> who being duly sworn upon oath, deposed and said, that he has read the foregoing application, that he is the responsible official of the applicant who executed the application, that the facts and matters contained therein are true and correct to the best of his information and belief, and that he executed the same for the purposes therein expressed.

Sworn to and subscribed before me, this the 24th day of August, 2011.

My Commission Expires:

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
PAMELA I. PROBES
113 BOLTEN DR.
BECKLEY, WV 25801
My commission expires March 19, 2017

ASMC PERMIT TRANSFER AGREEMENT

This Agreement is entered into this date by **GTM Energy Partners, LLC.** and **Alabama Carbon, LLC.** in order to effect a transfer of Alabama Surface Mining Commission Permit No. P-3946 (Crane Central Mine) and the responsibility, coverage, and liability there under from **GTM Energy Partners, LLC.** to **Alabama Carbon, LLC.**

On the date such transfer becomes effective; **Alabama Carbon, LLC.** agrees to assume the responsibility, coverage, and liability of ASMC Permit No. P-3946 and **GTM Energy Partners, LLC.** agrees to relinquish all rights that it may have under said permit.

This agreement is entered into by both parties this the 9^{th} day of 5ep+, 2011. Said transfer is to become effective on the effective date of the ASMC Permit No. P-3946 transfer approval.

GTM Energy Partners, LLC.

Witness Signature

Stanley Graves

Managing Member

Alabama Carbon, LLC.

Witness Signature

James C. Justice, T Vice President